

The President's Daily Brief

19 June 1969 21 19 Top Secret 50X1

I. MAJOR PROBLEMS

VIETNAM

The Saigon government apparently is cracking down on a left-wing opposition group, the National Progressive Force. This organization recently called for a "government of conciliation" to replace the present one and is said to advocate cooperation with the Communists' Provisional Revolutionary Government. Although it does not now have a wide following, its appeal could grow among those Vietnamese who believe the US may waver in its support of the present government and look around for leaders more acceptable to the Communists in order to reach a peace settlement. Its leader, Tran Ngoc Lieng, now claims that he and several of his followers have been ordered to appear before Saigon police for questioning, and that a number of other members of his group are being detained by the police.

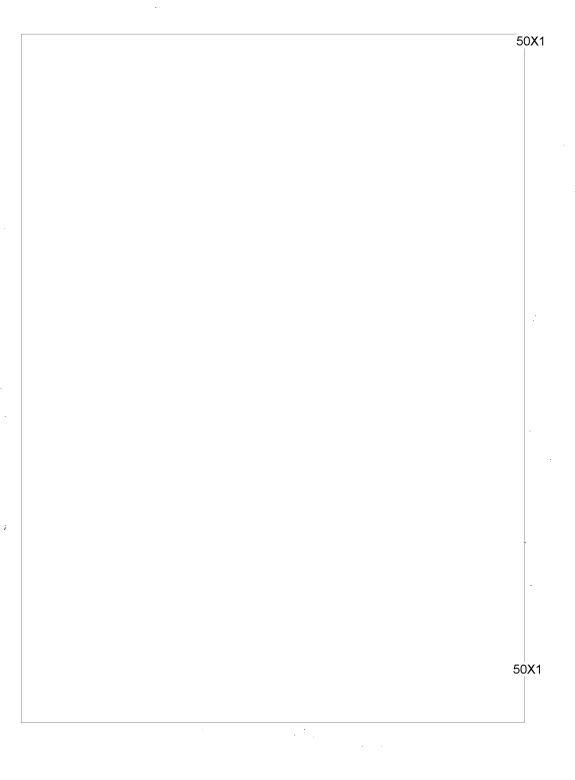
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are being detained by the police.

The Communists on 17-18 June continued their shelling of allied installations in widely separated areas of South Vietnam. Several air bases came under fire, including Bien Hoa northeast of Saigon.

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EUROPE

Pompidou's most pressing worries when he assumes the French presidency on Friday are sure to be in the domestic field; economic difficulties will probably be at the top of the list. Evidence of an overheating of the economy has been accumulating since early spring. As a result, prices are

2

coming under heavy inflationary pressure, with evident dangers to French foreign trade.

The unions, which were quiet during the De Gaulle referendum and the subsequent elections, will undoubtedly be renewing their agitation for higher wages. Their efforts will get a good deal of support from the parties of the left in general, and from the Communists in particular. The leftists, who are aware of their limited prospects in the political arena, will now be channeling most of their organizational and propaganda energy into efforts to take advantage of popular discontent.

SOVIET AFFAIRS

The main document issued by the Moscow conference avoids grappling with the controversial issues which came up in the delegates' speeches. The changes that were made right up to the last minute were primarily those of nuance and do not fundamentally alter the draft that was proposed by Moscow last March. Then, as now, the formulation of key points is aimed at winning support—no matter how grudging—from the largest possible number of parties rather than laying out a course of action for the Communist world. The document contains neither a condemnation of China nor specific endorsement of the Soviet invasion of Czechoslovakia. It does, however, contain enough vague rhetoric to provide the conference participants with words and phrases to quote in support of their divergent views.

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II. OTHER IMPORTANT DEVELOPMENTS

COMMUNIST CHINA		
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We see some signs that government ministries are beginning to function more normally in the wake of the party congress in April.

several of the central government's key economic ministries—petroleum, metallurgy, chemical industries, and materials allocation—have called provincial representatives to national—level conferences this month to discuss planning commitments for the latter half of 1969. This represents the highest level of activity in these vital fields in three years.

New attention is being given to the urgent problem of birth control, largely ignored during the Cultural Revolution, with medical personnel already dispersed to rural areas. In the field of foreign affairs, ambassadors are

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being sent abroad		for the first time	•	50X1
since early 1967.				
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congress made subs	tantive decisions	on basic economic	and	
social policies or	on restructuring	and staffing centr	cal	
government organs.	These problems,	together with Peki	ing's	
overriding preoccu	pation with achie	ving leadership "ur	nity"	
at all levels, sug	gest that a meani	ngful return to nor	rmal	
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governmental opera	tions will be slo	w at best.		
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